



General Assembly

January Session, 2013

Raised Bill No. 1033

LCO No. 3825



Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:
(LAB)

AN ACT CONCERNING STATE EMPLOYEE BENEFITS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 5-192q of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) A member of tier II or tier IIA may elect one of the following
4 optional forms for retirement income by filing with the Retirement
5 Commission a written election on a form provided by the commission.
6 A member who has been married at least one year will be presumed to
7 elect the option offered under subdivision (1) of this subsection unless
8 a contrary election is made by the member. All other members will be
9 presumed to elect the option offered under subdivision (4) of this
10 subsection unless a contrary election is made by the member. Any
11 election or change of election must be filed before retirement income
12 payments begin. No option shall be effective until a member has
13 retired, and in the event a member dies prior to the date benefits
14 would have commenced, any election of an option shall be deemed
15 cancelled except as provided in subsection (c) of section 5-192r, as
16 amended by this act. The amount of income that will be paid under the

17 options will be determined by multiplying the retirement income as
18 determined under sections 5-192l to 5-192p, inclusive, as applicable, by
19 the actuarially equivalent option factors last adopted by the Retirement
20 Commission. Such factors shall be identical to those provided under
21 section 5-165 unless the Retirement Commission shall determine
22 otherwise. The factors may be periodically adjusted upward or
23 downward by the Retirement Commission to reflect changing interest,
24 mortality, or election of option patterns, provided that they shall be
25 reviewed and adjusted by January 1, 1985. Any such changes shall
26 apply only to members whose benefits commence after the effective
27 date of adoption of such factors. The retirement options are as follows:
28 (1) A reduced amount payable to the member for his lifetime, with the
29 provision that after his death his spouse, if surviving, shall be entitled
30 to receive a lifetime income equal to fifty per cent of the reduced
31 monthly amount payable to the member; (2) a reduced amount
32 payable to the member for his lifetime, with the provision that after his
33 death, his contingent annuitant shall be entitled to receive a lifetime
34 income equal to either fifty or one hundred per cent of the reduced
35 amount payable to the member; (3) a reduced amount payable to the
36 member for his lifetime, with the provision that if he shall die within
37 either a ten or twenty-year period following the date his retirement
38 income commences, whichever is selected by the member, the reduced
39 amount continues to his contingent annuitant for the balance of the ten
40 or twenty-year period, respectively; or (4) an amount payable to the
41 member for his lifetime, with no payments continuing after the
42 member's death.

43 (b) Notwithstanding the provisions of subsection (a) of this section,
44 a temporary minimum shall apply whenever the Retirement
45 Commission adopts revised factors which could result in a smaller
46 benefit to a member than would have been payable under the
47 previously existing factors. Such minimum shall be determined as
48 follows: (1) The benefit the member had earned as of the date of the
49 change in factors shall be calculated, based on his final average

50 earnings and credited service or based on his vesting service as of that
51 date; (2) any early retirement reduction in such benefit shall be based
52 upon his age as determined on the date benefits will commence, and
53 his type of retirement; and (3) the option factor shall be determined
54 utilizing the factors in effect prior to such change, but based on
55 appropriate ages as of the date benefits will commence. If such
56 minimum results in a larger benefit, the larger benefit shall be payable.

57 Sec. 2. Section 5-192r of the general statutes is repealed and the
58 following is substituted in lieu thereof (*Effective October 1, 2013*):

59 (a) If a member of tier II or tier IIA who is continuing to earn vesting
60 service or who is on a leave authorized by the state or otherwise
61 granted pursuant to the terms of the appropriate collective bargaining
62 agreement, dies after either (1) completion of the age and service
63 requirements for retirement under section 5-192l, 5-192m or 5-192n, or
64 (2) completion of twenty-five years of vesting service, his spouse,
65 provided they have been lawfully married for at least the twelve
66 months preceding his death, shall receive a lifetime income in an
67 amount equal to [fifty] one hundred per cent of the retirement income
68 that the member would have been entitled to if he had retired the day
69 he died, and had his benefit been paid under the option specified in
70 subdivision [(1)] (2) of subsection (a) of section 5-192q, as amended by
71 this act. If such member was not eligible to retire at the time of his
72 death, such benefit shall be calculated as if he had reached age fifty-
73 five, but based on his credited service and final average earnings at his
74 date of death. The first payment shall be made as of the first day of the
75 month coincident with or, otherwise, next following his date of death.

76 (b) If a member who has either terminated with at least twenty-five
77 years of service or retired pursuant to section 5-192l, 5-192m or 5-192n,
78 but whose benefits in either event are being deferred, dies prior to the
79 commencement date of his benefits, his spouse, provided they have
80 been lawfully married for at least the twelve months preceding his
81 death, shall receive a lifetime income equal to [fifty] one hundred per

82 cent of the retirement income that the member would have been
 83 entitled to if his benefits had commenced the day he died, with such
 84 benefits being paid under the option specified in subdivision [(1)] (2)
 85 of subsection (a) of section 5-192q, as amended by this act. If such
 86 member had not reached age fifty-five at the date of his death, such
 87 benefit shall be calculated as if he had reached age fifty-five. The first
 88 payment shall be made as of the first day of the month coincident with
 89 or, otherwise, next following his date of death.

90 (c) If a member who has completed the age and service
 91 requirements for retirement under section 5-192l, 5-192m or 5-192n and
 92 who has elected to receive his retirement benefits under subdivision (2)
 93 or (3) of subsection (a) of section 5-192q, as amended by this act, dies
 94 prior to the effective date of commencement of benefits but within
 95 ninety days after he first elects to receive his retirement benefits under
 96 either of said subdivisions, then his beneficiary or contingent annuitant
 97 shall receive an income in an amount equal to the benefit that would
 98 have been payable to the survivor had the member retired the day he
 99 died and had his benefit been paid under the option he had elected at
 100 the time of his death. This subsection shall not apply after ninety days
 101 after the date the member first elects to receive his benefit under either
 102 of said subdivisions. In the event that income payments to a surviving
 103 beneficiary or contingent annuitant are payable under this subsection,
 104 such payments shall be in lieu of payments under subsections (a) and
 105 (b) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	5-192q
Sec. 2	<i>October 1, 2013</i>	5-192r

Statement of Purpose:

To increase the spousal allowance for preretirement death benefits from fifty per cent to one hundred per cent.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]